

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-05 H-01 INR-07 L-03
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06
EB-08 OMB-01 TRSE-00 IGA-02 AID-05 DOE-11 SOE-02
/088 W

-----103588 311948Z /43

R 311537Z JAN 78
FM AMEMBASSY LISBON
TO SECSTATE WASHDC 4579
INFO AMEMBASSY BONN
AMEMBASSY LONDON
AMEMBASSY MADRID
AMEMBASSY MOSCOW
AMCONSUL OPORTO
AMEMBASSY PARIS
AMCONSUL PONTA DELGADA
DIA WASHDC
USCINCEUR VAIHINGEN GER
USMISSION USNATO
USNMR SHAPE BRUSSELS BEL
COMUSFORAZ

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E.O. 11652: N/A
TAGS: PGOV PINT PO
SUBJECT: EANES EXPRESSES CONFIDENCE IN GOVERNMENT, AND
SETS AN AGENDA

SUMMARY: THE NEW SOARES CABINET WAS SWORN-IN JAN 30.
PRESIDENT EANES EXPRESSED HIS CONFIDENCE IN THE GOVERNMENT AND
URGED RAPID ACTION TO REDUCE THE BALANCE OF PAYMENTS DEFICIT,
CONTAIN INFLATION, AND IMPLEMENT ADMINISTRATIVE REFORM. EANES AND
SOARES WARNED THE OPPOSITION AGAINST SEEKING TO IMPOSE ITS WILL.
SOARES SAID IMF NEGOTIATIONS WOULD BE RESUMED RAPIDLY.
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END SUMMARY.

1. GOVERNMENT TAKES OFFICE: THE NEW SOARES GOVERNMENT
WAS SWORN-IN JAN 30. PRESIDENT EANES AND PRIME MINISTER
SOARES DELIVERED NATIONALLY TELEVISED SPEECHES AT THE
CEREMONY.

2. EANES BACKS GOVERNMENT: PRESIDENT EANES MADE THE FOLLOWING POINTS IN HIS SPEECH:

--WHY THIS GOVERNMENT?: DESPITE GROWING SENTIMENT FOR A GOVERNMENT OF "NATIONAL SALVATION," AN INTERPARTY AGREEMENT WAS PREFERABLE BECAUSE IT ATTRIBUTED MORE VALUE TO THE INSTITUTIONAL ROLE OF THE PARTIES AND MORE CLOSELY ADHERED TO POPULAR WILL. TIME WAS SACRIFICED IN THE INTERESTS OF FORMING A NEW GOVERNMENT WITH A STRONG PROGRAMMATIC BASE OF ACTION.

--WARNING TO THE OPPOSITION: THOSE POLITICAL PARTIES AND FORCES WHICH SEEK TO DIFFERENTIATE BETWEEN SOCIAL AND PARLIAMENTARY SUPPORT AND CLAIM A BACKING GREATER THAN THEIR LEGISLATIVE ASSEMBLY REPRESENTATION (READ PCP) ARE VIOLATING THE LOGIC AND SPIRIT OF THE CONSTITUTION.

--CONFIDENCE IN GOVERNMENT: THIS GOVERNMENT, IF IT CARRIES OUT THE POLITICAL AGREEMENT BETWEEN THE PARTIES AND DOES NOT BECOME INVOLVED IN PARTISAN SQUABBLES, HAS THE MEANS TO GOVERN. GOVERNMENT CAPACITY DOES NOT DEPEND ON THE DIFFERENCES IN THE PS AND CDS BUT ON THE DETERMINATION, EFFORT AND UNDERSTANDING APPLIED TO THE EXECUTION OF THE GOVERNMENT PROGRAM.

--SETTING AN AGENDA: THE GOVERNMENT MUST IN THE SHORT-TERM REDUCE THE BALANCE OF PAYMENTS DEFICIT, CONTAIN INFLATION, AND MINIMIZE NEGATIVE EFFECTS ON SOCIAL WELFARE AND MEDIUM-TERM ECONOMIC DEVELOPMENT.
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--ADMINISTRATIVE REFORM: THE GOVERNMENT MUST UNDER-TAKE A SERIOUS, THOROUGH ADMINISTRATIVE REFORM.

--ECONOMIC GOALS: THE GOVERNMENT MUST ESTABLISH THE MEANS TO PROTECT THE WORKERS' PURCHASING POWER, AND TO INCREASE THE NATIONAL MINIMUM SALARY AND PENSIONS. THE MAJORITY OF THE PEOPLE WILL ACCEPT NECESSARY SACRIFICES SO AS NOT TO COMPROMISE THEIR STANDARD OF LIVING SERIOUSLY AND THE FUTURE OF THEIR CHILDREN THROUGH BANKRUPTCY OR UNCONTROLLED INFLATION.

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3. SOARES HITS OPPOSITION: MARIO SOARES MADE THE FOLLOWING
POINTS:

--EFFICIENCY NECESSARY: THE GOVERNMENT IS AWARE THAT
ITS PRESTIGE WILL DEPEND ON ITS PERFORMANCE.
THE COUNTRY WANTS A GOVERNMENT WHICH GOVERNS WITHOUT
AUTHORITARIANISM, BUT WITH AUTHORITY AND FIRMNESS. THE
COUNTRY IS TIRED OF DISORDER, DEMAGOGUERY, AND USELESS
AGITATION. THE COUNTRY IS TIRED OF ORCHESTRATED
CAMPAIGNS AGAINST INDIVIDUALS AND INSTITUTIONS. THESE
ABUSES MUST BE CORRECTED RAPIDLY.
--IMF NEGOTIATIONS: THE COUNTRY RECOGNIZES THAT
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PORTUGAL'S IMMENSE BALANCE OF PAYMENTS DEFICIT MUST
BE CORRECTED. IMF NEGOTIATIONS WILL BE RESUMED RAPIDLY.
--STRONG MEASURES AGAINST ABUSES: AN OPPOSITION
WHICH USES ITS LIBERTIES TO DESTROY AND CORRUPT, AND
WHICH GOES TO THE STREET TO IMPOSE BY FORCE WHAT IT CANNOT
ACHIEVE THROUGH THE VOTE OR NORMAL DEMOCRATIC MEANS WILL
NOT BE TOLERATED.

4. EANES GAVE THE GOVERNMENT A VOTE OF CONFIDENCE. BUT HE COUPLED
HIS SUPPORT WITH A CALL FOR RAPID RESOLUTION OF THE BALANCE
OF PAYMENTS DEFICIT, CORRECTION OF SOCIAL WELFARE DEFICIENCIES,
AND ADMINISTRATIVE REFORM. BOTH EANES AND SOARES SIGNALLED THE

OPPOSITION THAT EFFORTS TO FORCE THE GOVERNMENT OUT THROUGH
CONFRONTATION TACTICS WOULD NOT BE TOLERATED. THE GOVERNMENT
WILL PRESENT ITS PROGRAM TO THE ASSEMBLY ON FEB 2, ALTHOUGH
ASSEMBLY DEBATE MAY NOT BEGIN UNTIL NEXT WEEK.
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Message Attributes

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